

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED SEPTEMBER 30, 2022

Mike Estes, P.C.

A Professional Accounting Corporation

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and the
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AUDIT QUALITY CENTER

Independent Auditor's Report

Board of Commissioners
Housing Authority of Henryetta
Henryetta, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund of the Housing Authority of the City of Henryetta, Oklahoma as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of Henryetta, Oklahoma basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective position of each major fund, of the Housing Authority of the City of Henryetta, Oklahoma as of and for the year ended September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of Henryetta, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Henryetta, Oklahoma's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Henryetta, Oklahoma's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Henryetta, Oklahoma's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 4 to 10 be presented to supplement the basic financial statements.

Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Henryetta, Oklahoma's basic financial statements. The statement of modernization costs-uncompleted, financial data schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of modernization costs-uncompleted, financial data schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2023 on our consideration of the Housing Authority of the City of Henryetta, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority of the City of Henryetta, Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the City of Henryetta, Oklahoma's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
June 22, 2023

Henryetta Housing Authority Management's Discussion and Analysis For the Year Ended September 30, 2022

Introduction

This Management's Discussion and Analysis (MD&A) of the Henryetta Housing Authority (Authority) provides an introduction and overview to the financial statements of the Henryetta Housing Authority for the fiscal year ended September 30, 2022. The Henryetta Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended September 30, 2022, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the Henryetta Housing Authority. This information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority has three individual programs. These programs are listed as follows:

- The Low Rent Program consists of 50 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula. The Capital Fund Program is also a formula-based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.
- The Housing Choice Voucher (HCV) Program provides rental assistance to aid low income families in affording decent, safe and sanitary rental housing. The Housing Authority provides rental assistance in the form of a Housing Assistance Payment to a landlord on behalf of the tenant. The Housing Authority currently has 134 units available. Funds are provided by HUD to provide rental assistance payments. The Housing Authority is provided an administrative fee for the purpose of covering the administrative costs of the program. The fee is preset by HUD on an annual basis.
- The State & Local Program is due to funding received from the 2012 Operating Subsidy Litigation.

Management's Discussion and Analysis-Cont.

Overview of the Financial Statements

This overview of the financial statement is intended to inform and introduce the reader to the Authority's financial statements. The financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Position
- The Statement of Revenues, Expense, and Changes in Net Position
- The Statement of Cash Flows

The Statement of Net Position presents information on the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the differences between them being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net position is comprised of three individual components:

- *Investment in Capital Assets* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets.
- *Restricted* component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through constitutional provisions.
- *Unrestricted* component of net position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of net position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended September 30, 2022 to determine the change in net position for the fiscal year.

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended September 30, 2022.

Financial Highlights

- The Henryetta Housing Authority's total net position decreased from \$799,640 in 2021 to \$774,855 in 2022, for a decrease of \$24,785. The total assets decreased by \$6,160 or 1% from the previous year.
- The unrestricted component of net position's balance is \$365,421 at September 30, 2022. This represents an increase of \$40,375 or 12% from the previous year.

Management's Discussion and Analysis-Cont.

- Total revenue increased from \$509,746 in 2021 to \$576,081 in 2022, representing an increase of \$66,335 or 13%.
- Total expenses increased by \$56,194, from \$544,672 to \$600,866 for the current year.

Housing Authority Activities & Highlights

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended September 30, 2022 and September 30, 2021.

Summary Statement of Net Position Years Ended September 30, 2022 and 2021

<u>Category</u>	9/30/2022	9/30/2021	Change \$	Change %
Current Assets	\$ 435,793	\$ 374,949	\$ 60,844	16%
Fixed Assets (Net of Depreciation)	\$ 407,590	\$ 474,594	\$ (67,004)	-14%
Total Assets	\$ 843,383	\$ 849,543	\$ (6,160)	-1%
Current Liabilities	\$ 68,073	\$ 48,833	\$ 19,241	39%
Non Current Liabilities	\$ 454	\$ 1,070	\$ (616)	-58%
Total Liabilities	\$ 68,258	\$ 49,903	\$ 18,625	37%
Unrestricted	\$ 365,421	\$ 325,046	\$ 40,375	12%
Restricted	\$ 1,844	\$ -	\$ 1,844	100%
Net Investment in Capital Assets	\$ 407,590	\$ 474,594	\$ (67,004)	-14%
Total Net Position	\$ 774,855	\$ 799,640	\$ (24,785)	-3%

Current Assets

Current assets increased by \$60,844, from \$374,949 in 2021 to \$435,793 in 2022. Total cash increased \$56,972 due to an excess of operating revenue over operating expenses.

Noncurrent Assets

Noncurrent assets decreased by \$67,004, from \$474,594 in 2021 to \$407,590 in 2022. See the Capital Asset section for additional details.

Current Liabilities

The Authority's current liabilities increased from \$48,833 to \$68,074, an increase of \$19,241 or 39% for the current year. This was primarily due to an increase in accounts payable in the amount of \$10,829. There was also an increase in accounts payable – other government in the amount of \$8,510.

Management's Discussion and Analysis-Cont.

Net Position

The Authority's total net position decreased by \$24,785, or 3% from the previous year.

The Authority's unrestricted component of net position increased from \$325,046 to \$365,421, an increase of \$40,375 or 12% for the current year. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines.

▪ Low Rent Housing Program	\$ 199,810
▪ Housing Choice Voucher Program	87,506
▪ State & Local	<u>78,105</u>
Total	\$ <u>365,421</u>

Restricted net position increased by \$1,844, for the current fiscal year due to a excess of HAP revenue over HAP expenses.

Summary Statement of Revenues & Expenses and Changes in Net Position *Years Ended September 30, 2022 and 2021*

<u>Category</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>Change \$</u>	<u>Change %</u>
Program Revenues:				
Tenant Revenue	\$ 95,379	\$ 104,010	\$ (8,631)	-8%
Government Operating Grants	\$ 467,979	\$ 395,322	\$ 72,657	18%
Other Revenue	\$ 11,980	\$ 9,632	\$ 2,348	24%
Interest Income	\$ 743	\$ 782	\$ (39)	-5%
Total Revenue	\$ 576,081	\$ 509,746	\$ 66,335	13%
Expenses:				
Administration	\$ 133,448	\$ 139,541	\$ (6,093)	-4%
Tenant Services	\$ 756	\$ 3,702	\$ (2,946)	-80%
Utilities	\$ 9,218	\$ 8,348	\$ 870	10%
Ordinary Maintenance	\$ 103,700	\$ 74,611	\$ 29,089	39%
Protective Services	\$ -	\$ 28	\$ (28)	-100%
General/Insurance Expense	\$ 56,350	\$ 51,249	\$ 5,101	10%
Depreciation	\$ 71,488	\$ 70,673	\$ 815	1%
Housing Assistance Payments	\$ 225,906	\$ 196,520	\$ 29,386	15%
Total Expenses	\$ 600,866	\$ 544,672	\$ 56,194	10%
Excess (Deficiency) Before Special Items	\$ (24,785)	\$ (34,926)	\$ 10,141	-29%
Change in Net Position	\$ (24,785)	\$ (34,926)	\$ 10,141	-29%
Net Position, Beginning of Year	\$ 799,640	\$ 834,566	\$ (34,926)	-4%
Net Position, End of Year	\$ 774,855	\$ 799,640	\$ (24,785)	-3%

Management's Discussion and Analysis-Cont.

Results of Operations

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenue increased by \$66,335 during the current fiscal year. Significant changes in revenues are as follows:

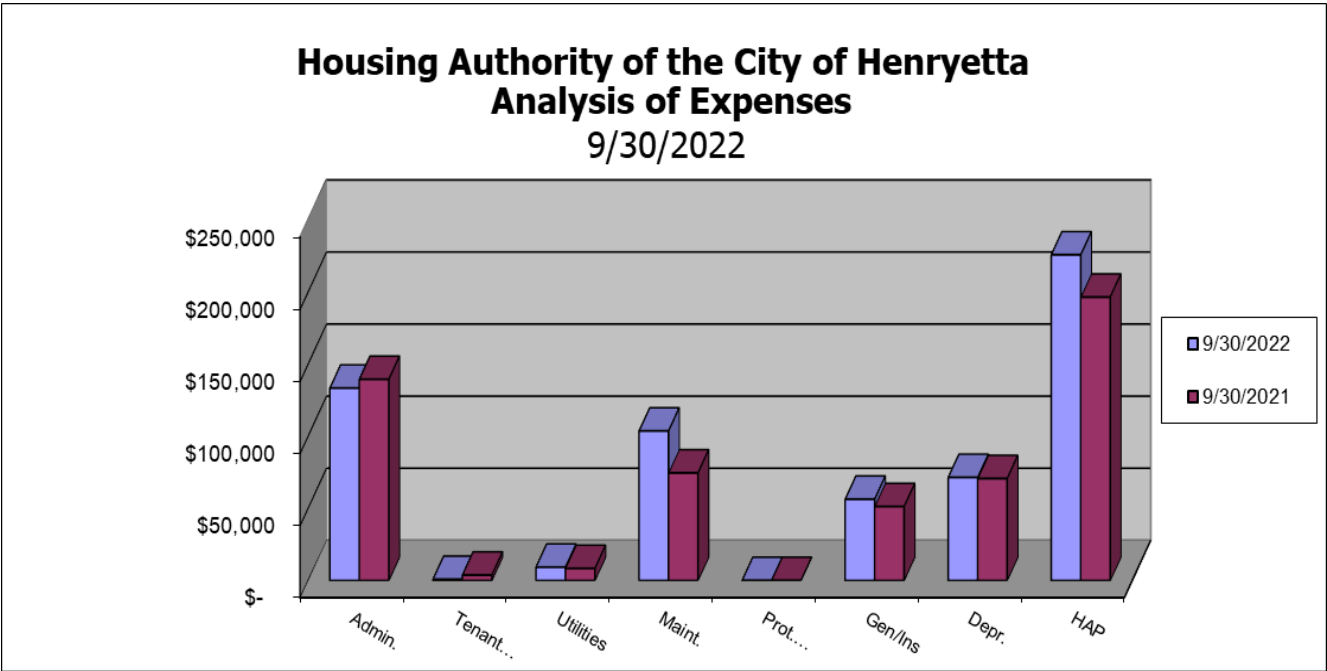
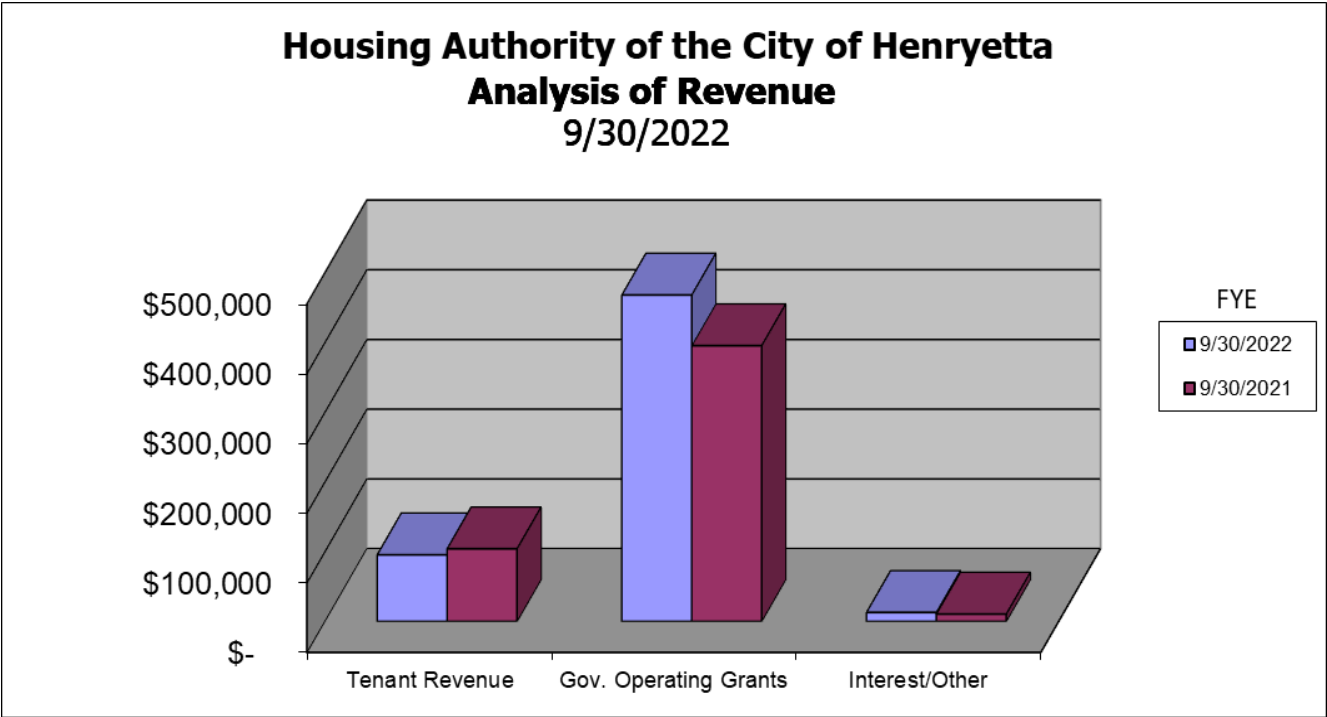
- Tenant revenue decreased by \$8,631 or 8% from the previous year. Average rent decreased from \$181 in 2021 to \$162 in 2022.
- HUD operating grants increased by \$72,657 or 18%, due in part to an increase in operating subsidy received in the current year.

The Authority's total expenses increased by \$56,194 from the previous year. Significant changes in expenses are as follows:

- Administrative expenses decreased by \$6,093 from the previous year. This is primarily due to a decrease in auditing fees in the amount of \$8,200.
- Maintenance increased by \$29,089 from the previous year. This is primarily due to an increase in miscellaneous contracts and materials by \$20,057 and \$10,497, respectively.
- General/insurance expense increased by \$5,101. This is primarily due to an increase in property insurance by \$6,659.
- Housing assistance payments increased due to an increase in HCV units leased. Unit months increased from 489 in the previous year to 528 in the current year.

Management’s Discussion and Analysis-Cont.

We have provided the following presentations to demonstrate the revenues and expenses by summarized account category:



Management's Discussion and Analysis-Cont.

Capital Assets

As of September 30, 2022, the Authority's investment in net fixed assets was \$407,590. This investment includes land, buildings, and equipment less accumulated depreciation.

<u>Category</u>	9/30/2022	9/30/2021	Change \$	Change %
Land	\$ 65,000	\$ 65,000	\$ -	0%
Buildings	\$ 3,596,490	\$ 3,596,489	\$ 1	0%
Equipment	\$ 109,768	\$ 105,285	\$ 4,483	4%
Accumulated Depreciation	\$ (3,363,668)	\$ (3,292,180)	\$ (71,488)	2%
Total Net Fixed Assets	\$ 407,590	\$ 474,594	\$ (67,004)	-14%

Additions to equipment consist of a floor stripper and three computers utilizing the Low rent operating funds and Section 8 funds

Debt Administration

The Authority classifies a portion of the employee's leave as long term debt. This is because the Authority does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as long term for the current year was \$454.

Subsequent Event

Due to the 2023 Congressional Appropriations, the Authority's operating subsidy provided by HUD for the Low Rent Housing Program is estimated to be at 95% for the calendar year 2023.

The amount of funding for the 2023 calendar year for the Housing Choice Voucher Program has not been finalized by HUD. The 2023 administrative fees are estimated at 89.00% and HAP funding at 100%.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Henryetta Housing Authority
Carla Hall, Executive Director
1708 West Ragan
Henryetta, OK 74437

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

	General	Housing Choice Voucher	Total
	<hr/>	<hr/>	<hr/>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 228,559	\$ 84,979	\$ 313,538
Investments	67,243	0	67,243
Accounts receivable net	17,516	3,160	20,676
Prepaid items and other assets	20,870	429	21,299
Inventory	1,029	0	1,029
Restricted assets - cash and cash equivalents	10,164	1,844	12,008
	<hr/>	<hr/>	<hr/>
Total Current Assets	345,381	90,412	435,793
	<hr/>	<hr/>	<hr/>
Capital Assets, net			
Land and other non-depreciated assets	65,000	0	65,000
Other capital assets - net of depreciation	342,016	574	342,590
	<hr/>	<hr/>	<hr/>
Total Capital Assets, net	407,016	574	407,590
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 752,397	\$ 90,986	\$ 843,383
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 17,211	\$ 929	\$ 18,140
Unearned income	962	0	962
Compensated absences payable	1,915	113	2,028
Accrued PILOT	36,780	0	36,780
Deposits due others	10,164	0	10,164
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	67,032	1,042	68,074
	<hr/>	<hr/>	<hr/>
Noncurrent Liabilities			
Compensated absences payable	434	20	454
	<hr/>	<hr/>	<hr/>
Total Liabilities	67,466	1,062	68,528
	<hr/>	<hr/>	<hr/>
NET POSITION			
Net investment in capital assets	407,016	574	407,590
Restricted	0	1,844	1,844
Unrestricted	277,915	87,506	365,421
	<hr/>	<hr/>	<hr/>
Net Position	\$ 684,931	\$ 89,924	\$ 774,855
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General	Housing Choice Voucher	Total
	<hr/>	<hr/>	<hr/>
OPERATING REVENUES			
Dwelling rental	\$ 94,314	\$ 0	\$ 94,314
Governmental operating grants	210,219	257,760	467,979
Tenant revenue- other	1,065	0	1,065
Other	11,854	126	11,980
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	317,452	257,886	575,338
	<hr/>	<hr/>	<hr/>
OPERATING EXPENSES			
Administration	122,109	11,339	133,448
Tenant services	756	0	756
Utilities	9,218	0	9,218
Ordinary maintenance & operations	103,672	28	103,700
General expenses	54,641	1,709	56,350
Depreciation	70,649	0	70,649
Housing assistance payments	0	226,745	226,745
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	361,045	239,821	600,866
	<hr/>	<hr/>	<hr/>
Income (Loss) from Operations	(43,593)	18,065	(25,528)
	<hr/>	<hr/>	<hr/>
Non Operating Revenues (Expenses)			
Interest earnings	743	0	743
	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	743	0	743
	<hr/>	<hr/>	<hr/>
Income (Loss) before contribution	(42,850)	18,065	(24,785)
	<hr/>	<hr/>	<hr/>
Capital Contribution	0	0	0
	<hr/>	<hr/>	<hr/>
Change in net position	(42,850)	18,065	(24,785)
	<hr/>	<hr/>	<hr/>
Total net position - beginning	727,781	71,859	799,640
	<hr/>	<hr/>	<hr/>
Total net position - ending	\$ 684,931	\$ 89,924	\$ 774,855
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The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General	Housing Choice Voucher	Total
	<hr/>	<hr/>	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 92,937	\$ 0	\$ 92,937
Other receipts	45,099	(3,805)	41,294
Federal grants	206,180	257,912	464,092
Payments to vendors	(162,579)	(3,907)	(166,486)
Payments to employees – net	(135,713)	(9,196)	(144,909)
Payments to landlords	0	(225,906)	(225,906)
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	45,924	15,098	61,022
	<hr/>	<hr/>	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(4,284)	(199)	(4,483)
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by capital and related financing activities	(4,284)	(199)	(4,483)
	<hr/>	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	771	0	771
Purchase of investments	(398)	0	(398)
Proceeds from investment maturities	0	64	64
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by investing activities	373	64	437
	<hr/>	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	42,013	14,963	56,976
	<hr/>	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS			
Beginning of Fiscal Year	196,710	71,860	268,570
	<hr/>	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS			
End of Fiscal Year	\$ 238,723	\$ 86,823	\$ 325,546
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	General	Housing Choice Voucher	Total
	<hr/>	<hr/>	<hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (43,593)	\$ 18,065	\$ (25,528)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	70,649	0	70,649
Provision of uncollectible accounts	(891)	(126)	(1,017)
Change in assets and liabilities:			
Receivables	18,401	(824)	17,577
Inventories	377	0	377
Prepaid items	(18,662)	(288)	(18,950)
Account payables	14,383	2,328	16,711
Deposits due others	1,203	0	1,203
Due from/to other funds	4,057	(4,057)	0
	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operations	\$ 45,924	\$ 15,098	\$ 61,022
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Concluded

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the City of Henryetta have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the state laws for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Henryetta, serve staggered multi-year terms. The Authority includes 50 units of Low Rent housing. In addition, the Housing Choice Voucher has 115 vouchers available, although only 40-45 vouchers are utilized at any one time.

The Housing Authority has the following units:

PHA Owned Housing	50 units
Section 8	
Housing Choice Vouchers	134 available

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the City of Henryetta since the City of Henryetta appoints a voting majority of the Housing Authority's governing board. The City of Henryetta is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Henryetta. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Henryetta.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program. The housing choice voucher fund accounts for the Section 8 Housing Choice Voucher program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under state law and national banks having their principal offices in the state.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$325,546. This is comprised of cash and cash equivalents of \$313,538 and restricted assets – cash of \$12,008, on the statement of net position.

E. INVESTMENTS Investments are limited by the Housing Authority’s investment policy to Certificates of Deposit. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	15-40 years
Building improvements	15 years
Furniture and equipment	3-5 years
Computers	5 years

J. UNEARNED INCOME The Housing Authority reports prepaid revenues on its statement of net position. Prepaid revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for prepaid revenue is removed from the statement of net position and the revenue is recognized.

K. COMPENSATED ABSENCES It is the Authority's policy to allow employees to accumulate earned but unused vacation and sick pay benefits up to certain limits. These amounts accrued, for which the employee is vested that would be paid upon termination, are charged to expense and a corresponding liability is established when earned. The portion of the liability that is anticipated to be paid within the next fiscal year is reported as a current liability, while the remainder is reported as a long-term liability.

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits.

M. NET POSITION AND FLOW ASSUMPTIONS Net position is reported as restricted when constraints placed on net position use as either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

Sometime the Authority may fund outlays from both restricted and unrestricted resources. In the event that should occur, the Authority must make a flow assumption about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

N. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at September 30, 2022. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$10,164 is restricted in the General Fund for security deposits. \$1,844 is restricted in the Housing Choice Voucher fund for HAP Equity.

At September 30, 2022, the Housing Authority's carrying amount of deposits was \$392,714 and the bank balance was \$394,620, which includes \$67,246 in certificates of deposits classified as investments. Petty cash consists of \$75. The entire bank balance was covered by FDIC Insurance.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at September 30, 2022, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Housing Choice Voucher</u>	<u>Total</u>
Local sources:			
Tenants	\$ 2,038	\$ 0	\$ 2,038
Fraud recovery	11,368	3,160	14,528
Federal sources:			
Grants	4,110	0	4,110
Total	\$ 17,516	\$ 3,160	\$ 20,676

The tenants account receivable is net of an allowance for doubtful accounts of \$2,361.

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable assets				
Land and buildings	\$ 65,000	\$ 0	\$ 0	\$ 65,000
Depreciable assets:				
Buildings	3,596,490	0	0	3,596,490
Furniture and equipment	105,285	4,483	0	109,768
Total capital assets	3,766,775	4,483	0	3,771,258
Less: accumulated depreciation				
Buildings	3,200,841	64,205	0	3,265,046
Furniture and equipment	91,339	7,283	0	98,622
Total accumulated depreciation	3,292,180	71,488	0	3,363,668
Total capital assets, net	\$ 474,595	\$ (67,005)	\$ 0	\$ 407,590

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 5 – ACCOUNTS PAYABLE The payables at September 30, 2022 are as follows:

	General	Housing Choice Voucher	Total
Vendors	\$ 13,654	\$ 782	\$ 14,436
Payroll taxes & Retirement withheld	2,634	147	2,781
Utilities	923	0	923
Total	\$ 17,211	\$ 929	\$ 18,140

NOTE 6 – COMPENSATED ABSENCES At September 30, 2022, employees of the Housing Authority have accumulated and vested \$2,482 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 7 – LONG – TERM OBLIGATIONS The following is a summary of the long – term obligation transactions for the year ended September 30, 2022.

	Compensated Absences
Balance, beginning	\$ 3,739
Additions	9,819
Deletions	(11,076)
Balance, ending	2,482
Amounts due in one year	\$ 2,028

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

Construction Projects There are certain renovation or construction projects in progress at September 30, 2022. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, auto, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Legal counsel believes, based on case precedent and Oklahoma Attorney General opinions, that if the *HAI Group* is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 9– ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$467,979 to the Housing Authority, which represents approximately 81% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 10 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, June 22, 2023, of the independent auditor's report for potential recognition or disclosure in the financial statements.



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MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Independent Auditor's Report

Housing Authority of Henryetta
Henryetta, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund, of the Housing Authority of the City of Henryetta, Oklahoma, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Henryetta, Oklahoma's basic financial statements, and have issued our report thereon dated June 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Henryetta, Oklahoma's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Henryetta, Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Henryetta, Oklahoma's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Henryetta, Oklahoma's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as Audit Findings 2022-001 and 002.

The Housing Authority of the City of Henryetta, Oklahoma's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Housing Authority of the City of Henryetta, Oklahoma's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Housing Authority of the City of Henryetta, Oklahoma's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
June 22, 2023

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2022

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements – Unmodified.
2. Internal Control Over Financial Reporting:
 - a. Material weakness(es) identified? yes ✓ no
 - b. Significant deficiency(ies) identified? yes ✓ none reported
3. Noncompliance material to financial statements noted? ✓ yes no

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2022

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Low Rent Program-CFDA #14.850, Capital Fund Program #14.872, and Housing Choice Voucher Program #14.871

2022-001-Lack of Segregation of Duties

Criteria and Specific Requirement

The Authority should have properly designed and documented internal controls over compliance functions over the waiting list and tenant file functions.

Condition Found

Statement of Auditing Standards (SAS) #115 dictates that “absent or inadequate segregation of duties within a significant account or process” are defined by the Standard is at least a significant deficiency, if not a material weakness. The documentation of the Authority’s internal controls over compliance is inadequate.

Cause

Due to cost restrictions, the Authority has a limited staff. There are only two office employees.

Effect

The likelihood is not reduced to an acceptable level that a material misstatement of the financial statements could not occur and be timely detected. Also the likelihood is not reduced to an acceptable level that material noncompliance with the waiting list on tenant calculations will not occur. However, the potential is mitigated by the Authority employing an experienced, competent Executive Director and staff assistant.

As noted in the next audit finding, the required rent reasonableness surveys for Section Eight move-ins were not performed.

Recommendation

In the audit year, the quality control for the Low Rent Program improved. PHA personnel need to study how to document quality control annually for Section Eight, as if SEMAP is filed every year.

We have discussed a way for the second office employee to document the quality control checks of maintenance on the waiting list, and various functions related to the tenant files, including calculation of tenant rent and Housing Assistance Payments and tenant rent for the Housing Choice Voucher Program.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2022

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Origination Date and prior year reference

This finding originated for the year ended September 30, 2019. The audits for 2019 and 2020 were performed together. Part of the audit finding for 2020 and 2021 has been corrected and is not repeated.

Views of Responsible Official

I am Carla Hall, Executive Director and Designated Person to answer this finding. We will follow the auditor's recommendations.

Low Rent Program-CFDA #14.850, Capital Fund Program #14.872, and Housing Choice Voucher Program #14.871

2022-002-Policies and Utility Allowances Need Review and Updating, Housing Choice Voucher Reasonable Rent Survey Not Performed

Criteria and Specific Requirement

The Authority's policies are several years old. Most are materially correct and while revision is preferable, they are likely still in good order. However, at least three policies need revision.

In addition, federal regulations require that the Low Rent and Housing Choice Voucher (HCV) utility allowances be reviewed annually.

And finally, the Authority is required to perform reasonable rent surveys for Housing Choice Vouchers at certain times, in a manner broadly outlined by HUD.

Condition Found

Policies- The Authority's Procurement Policy was last updated in 2009. The Policy needs to be updated to comply with procurement standards of 2 CFR 200.317-200.326 (regs can be googled) and cost principles of 2 CFR 225, HUD Handbook 7460.8. Generally speaking, the Policy needs to be updated for new terminology resulting from the Uniform Standards and needs to include the language that requires an Independent Cost Estimate (ICE) for purchases for amounts above the adopted Micro Purchase Threshold.

The Low Rent's Admissions and Occupancy Policy (ACOP) and the Housing Choice Voucher's Admin Plan are also several years old and should be revised. HUD requirements for the Admin Plan are outlined at 24 CFR 982.54.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2022

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

Utility allowances- These allowances have not been reviewed by the Authority in several years. The Authority is required to review utility allowances for both Low Rent and Housing Choice Voucher annually, 24 CFR 982.517 (c) (1). Whenever any individual rate changes more than 10% since the last rate change, the utility allowances are required to be revised. If no revision is necessary, the Authority should still retain documentation that the rates were timely reviewed and no changes were necessary.

Reasonable Rent Survey- The Authority is not performing the reasonable rent survey for those required for the Housing Choice Voucher Program. This survey is required by the Admin Plan, noted above. HUD requirements are outlined at 24 CFR 982.507 (a) (regs can be googled). The surveys must be performed for move-ins (not interims or re-exams), before any increase in rent to the owner, and in certain other circumstances, as outlined at (a) (2).

Cause

Apparent oversight. The Authority is of limited size. However, the regulations apply to all PHAs that have these programs. No waivers are given due to limited size of staff.

Effect

In our tests, we noted that Personnel are complying with its policies and procedures adequately in all material respects. The staff appears to be conscientious.

Recommendation

The Authority should adopt the needed policies, utility allowances, and the rent reasonableness survey.

Origination Date and prior year reference

As noted previously, we performed the audits for the years ended September 30, 2019 and 2020 at the same time. The finding originated in 2019.

Views of Responsible Official

We revised our Procurement Policy in February 2023. With the aid of the consultant, we have revised our utility allowances since September 30, 2022. We are in the process of revising our Admin Plan and ACOP. We will adopt a rent reasonableness survey.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2022



HOUSING AUTHORITY OF THE CITY
OF HENRYETTA

1708 West Ragan
Henryetta, Oklahoma 74437
918/652-9651

2022-001-Lack of Segregation of Duties

Condition:

Statement of Auditing Standards (SAS) #115 dictates that “absent or inadequate segregation of duties within a significant account or process” are defined by the Standard is at least a significant deficiency, if not a material weakness. The documentation of the Authority’s internal controls over compliance is inadequate.

Corrective Action Planned: I am Carla Hall, Executive Director and Designated Person to answer this finding. We will follow the auditor’s recommendations.

Person Responsible for Corrective Action:

Carla Hall, Executive Director
Housing Authority of Henryetta
1708 W. Ragan St
Henryetta, OK 74437

Telephone: (918) 652-9651
Fax: (918) 652-9652

Anticipated Completion Date- September 30, 2023

2022-002-Policies and Utility Allowances Need Review and Updating, Housing Choice Voucher Reasonable Rent Survey Not Performed

Condition:

Policies- The Authority’s Procurement Policy was last updated in 2009. The Policy needs to be updated to comply with procurement standards of 2 CFR 200.317-200.326 (regs can be googled) and cost principles of 2 CFR 225, HUD Handbook 7460.8. Generally speaking, the Policy needs to be updated for new terminology resulting from the Uniform Standards and needs to include the language that requires an Independent Cost Estimate (ICE) for purchases for amounts above the adopted Micro Purchase Threshold.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2022

The Low Rent's Admissions and Occupancy Policy (ACOP) and the Housing Choice Voucher's Admin Plan are also several years old and should be revised. HUD requirements for the Admin Plan are outlined at 24 CFR 982.54.

Utility allowances- These allowances have not been reviewed by the Authority in several years. The Authority is required to review utility allowances for both Low Rent and Housing Choice Voucher annually, 24 CFR 982.517 (c) (1). Whenever any individual rate changes more than 10% since the last rate change, the utility allowances are required to be revised. If no revision is necessary, the Authority should still retain documentation that the rates were timely reviewed and no changes were necessary.

Reasonable Rent Survey- The Authority is not performing the reasonable rent survey for those required for the Housing Choice Voucher Program. This survey is required by the Admin Plan, noted above. HUD requirements are outlined at 24 CFR 982.507 (a) (regs can be googled). The surveys must be performed for move-ins (not interims or re-exams), before any increase in rent to the owner, and in certain other circumstances, as outlined at (a) (2).

Corrective Action Planned: As previously noted, we have already adopted a Procurement Policy. We are in the process of correcting the other items noted.

Person Responsible for Corrective Action:

Carla Hall, Executive Director
Housing Authority of Henryetta
1708 W. Ragan St
Henryetta, OK 74437

Telephone: (918) 652-9651
Fax: (918) 652-9652

Anticipated Completion Date- September 30, 2023

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2022

The following prior audit finding was a significant deficiency, required to be reported, in the prior year in accordance with *Governmental Auditing Standards* generally accepted in the United States of America:

The audit for the year ended September 30, 2018 was performed by another auditing firm. The audits for the year ended September 30, 2019 and 2020 were performed at the same time. The same exit conference covered both audits.

2021-001-Lack of Segregation of Duties

Condition:

The Authority did not design, execute, or document adequate internal controls over various waiting list and tenant file functions.

Recommendation:

We have discussed a way for the second office employee to document the quality control checks of maintenance of the waiting list, and various functions related to the tenant files, including calculation of tenant rent and Housing Assistance Payments and tenant rent for the Housing Choice Voucher Program.

Current Status:

The finding is repeated.

2021-002-Policies and Utility Allowances Need Review and Updating, Housing Choice Voucher Reasonable Rent Survey Not Performed

The Low Rent's Admissions and Occupancy Policy (ACOP) and the Housing Choice Voucher's Admin Plan are also several years old and should be revised. HUD requirements for the Admin Plan are outlined at 24 CFR 982.54.

Condition

Various policies and utility allowances need review and updating. The HCV Program needs to establish a reasonable rent survey and perform the reasonable rent survey when applicable.

Recommendation:

The above needs to be done.

Current Status:

The finding is repeated.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED SEPTEMBER 30, 2022

CASH BASIS

	2017 Capital Fund	2018 Capital Fund	2019 Capital Fund	2020 Capital Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Funds approved	\$ 63,016	\$ 97,083	\$ 101,549	\$ 108,309
Funds expended	<u>63,016</u>	<u>97,083</u>	<u>0</u>	<u>0</u>
Excess of funds approved	\$ <u>0</u>	\$ <u>0</u>	\$ <u>101,549</u>	\$ <u>108,309</u>
 Funds advanced	 \$ 63,016	 \$ 97,083	 \$ 0	 \$ 0
Funds expended	<u>63,016</u>	<u>97,083</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of funds	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>

See accountants' report

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2022

FEDERAL GRANTOR PROGRAM TITLE	CFDA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 137,406
Capital Fund Program	14.872	72,813
Housing Choice Voucher	14.871	256,936
COVID-19-Housing Choice Voucher	14.871	824
		<hr/>
Total United States Department of Housing and Urban Development		\$ 467,979
		<hr/> <hr/>
Total Expenditures of Federal Awards		\$ 467,979
		<hr/> <hr/>

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2022

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the City of Henryetta, Oklahoma (the “Housing Authority”) under programs of the federal government for the year ended September 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority’s basic financial statements as follows:

	<u>Federal Sources</u>
Enterprise Funds	
Governmental operating grants	\$ 467,979
Total	\$ 467,979

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 – DE MINIMIS INDIRECT COST RATE The Housing Authority did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Balance Sheet Summary							
	Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	2 State/Local	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$150,454	\$84,979		\$78,105	\$313,538	\$0	\$313,538
112 Cash - Restricted - Modernization and Development	\$0	\$0			\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$1,844			\$1,844	\$0	\$1,844
114 Cash - Tenant Security Deposits	\$10,164	\$0			\$10,164	\$0	\$10,164
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0			\$0	\$0	\$0
100 Total Cash	\$160,618	\$86,823	\$0	\$78,105	\$325,546	\$0	\$325,546
121 Accounts Receivable - PHA Projects	\$0	\$0			\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$4,110	\$577			\$4,687	\$0	\$4,687
124 Accounts Receivable - Other Government	\$0	\$0			\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0			\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$4,399	\$0			\$4,399	\$0	\$4,399
126.1 Allowance for Doubtful Accounts - Tenants	-\$2,361	\$0			-\$2,361	\$0	-\$2,361
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0			\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0			\$0	\$0	\$0
128 Fraud Recovery	\$22,735	\$5,166			\$27,901	\$0	\$27,901
128.1 Allowance for Doubtful Accounts - Fraud	-\$11,367	-\$2,583			-\$13,950	\$0	-\$13,950
129 Accrued Interest Receivable	\$0	\$0			\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$17,516	\$3,160	\$0	\$0	\$20,676	\$0	\$20,676
131 Investments - Unrestricted	\$67,243	\$0			\$67,243	\$0	\$67,243
132 Investments - Restricted	\$0	\$0			\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0			\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$20,870	\$429			\$21,299	\$0	\$21,299
143 Inventories	\$1,143	\$0			\$1,143	\$0	\$1,143
143.1 Allowance for Obsolete Inventories	-\$114	\$0			-\$114	\$0	-\$114
144 Inter Program Due From	\$0	\$0			\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0			\$0	\$0	\$0
150 Total Current Assets	\$267,276	\$90,412	\$0	\$78,105	\$435,793	\$0	\$435,793
161 Land	\$65,000	\$0			\$65,000	\$0	\$65,000
162 Buildings	\$3,596,490	\$0			\$3,596,490	\$0	\$3,596,490
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0			\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$102,239	\$7,529			\$109,768	\$0	\$109,768
165 Leasehold Improvements	\$0	\$0			\$0	\$0	\$0
166 Accumulated Depreciation	-\$3,356,713	-\$6,955			-\$3,363,668	\$0	-\$3,363,668
167 Construction in Progress	\$0	\$0			\$0	\$0	\$0
168 Infrastructure	\$0	\$0			\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$407,016	\$574	\$0	\$0	\$407,590	\$0	\$407,590
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0			\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0			\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0			\$0	\$0	\$0
174 Other Assets	\$0	\$0			\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0			\$0	\$0	\$0
180 Total Non-Current Assets	\$407,016	\$574	\$0	\$0	\$407,590	\$0	\$407,590
200 Deferred Outflow of Resources	\$0	\$0			\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$674,292	\$90,986	\$0	\$78,105	\$843,383	\$0	\$843,383

**HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
FINANCIAL DATA SCHEDULES**

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Balance Sheet Summary							
	Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	2 State/Local	Subtotal	ELIM	Total
311 Bank Overdraft	\$0	\$0			\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$13,654	\$782			\$14,436	\$0	\$14,436
313 Accounts Payable >90 Days Past Due	\$0	\$0			\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$2,634	\$147			\$2,781	\$0	\$2,781
322 Accrued Compensated Absences - Current Portion	\$1,915	\$113			\$2,028	\$0	\$2,028
324 Accrued Contingency Liability	\$0	\$0			\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0			\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0			\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0			\$0	\$0	\$0
333 Accounts Payable - Other Government	\$36,780	\$0			\$36,780	\$0	\$36,780
341 Tenant Security Deposits	\$10,164	\$0			\$10,164	\$0	\$10,164
342 Unearned Revenue	\$962	\$0			\$962	\$0	\$962
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0			\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0			\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0			\$0	\$0	\$0
346 Accrued Liabilities - Other	\$923	\$0			\$923	\$0	\$923
347 Inter Program - Due To	\$0	\$0			\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0			\$0	\$0	\$0
310 Total Current Liabilities	\$67,032	\$1,042	\$0	\$0	\$68,074	\$0	\$68,074
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0			\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0			\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0			\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$434	\$20			\$454	\$0	\$454
355 Loan Liability - Non Current	\$0	\$0			\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0			\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0			\$0	\$0	\$0
350 Total Non-Current Liabilities	\$434	\$20	\$0	\$0	\$454	\$0	\$454
300 Total Liabilities	\$67,466	\$1,062	\$0	\$0	\$68,528	\$0	\$68,528
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	\$407,016	\$574			\$407,590		\$407,590
511.4 Restricted Net Position		\$1,844			\$1,844		\$1,844
512.4 Unrestricted Net Position	\$199,810	\$87,506	\$0	\$78,105	\$365,421		\$365,421
513 Total Equity - Net Assets / Position	\$606,826	\$89,924	\$0	\$78,105	\$774,855	\$0	\$774,855
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$674,292	\$90,986	\$0	\$78,105	\$843,383	\$0	\$843,383

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$94,314	\$0	\$94,314
70400 Tenant Revenue - Other	\$1,065	\$0	\$1,065
70500 Total Tenant Revenue	\$95,379	\$0	\$95,379
70600 HUD PHA Operating Grants	\$137,406	\$72,813	\$210,219
70610 Capital Grants	\$0	\$0	\$0
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$643	\$0	\$643
71200 Mortgage Interest Income	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0
71500 Other Revenue	\$11,854	\$0	\$11,854
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0
70000 Total Revenue	\$245,282	\$72,813	\$318,095
91100 Administrative Salaries	\$65,558	\$0	\$65,558
91200 Auditing Fees	\$7,708	\$0	\$7,708
91300 Management Fee	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0
91400 Advertising and Marketing	\$0	\$0	\$0
91500 Employee Benefit contributions - Administrative	\$23,647	\$0	\$23,647
91600 Office Expenses	\$16,163	\$0	\$16,163
91700 Legal Expense	\$0	\$0	\$0
91800 Travel	\$600	\$0	\$600
91810 Allocated Overhead	\$0	\$0	\$0
91900 Other	\$8,433	\$0	\$8,433
91000 Total Operating - Administrative	\$122,109	\$0	\$122,109
92000 Asset Management Fee	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0
92400 Tenant Services - Other	\$756	\$0	\$756
92500 Total Tenant Services	\$756	\$0	\$756
93100 Water	\$667	\$0	\$667
93200 Electricity	\$4,790	\$0	\$4,790
93300 Gas	\$2,937	\$0	\$2,937
93400 Fuel	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0
93600 Sewer	\$824	\$0	\$824

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0
93000 Total Utilities	\$9,218	\$0	\$9,218
94100 Ordinary Maintenance and Operations - Labor	\$27,417	\$0	\$27,417
94200 Ordinary Maintenance and Operations - Materials and Other	\$27,712	\$0	\$27,712
94300 Ordinary Maintenance and Operations Contracts	\$39,591	\$0	\$39,591
94500 Employee Benefit Contributions - Ordinary Maintenance	\$8,952	\$0	\$8,952
94000 Total Maintenance	\$103,672	\$0	\$103,672
95100 Protective Services - Labor	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$17,142	\$0	\$17,142
96120 Liability Insurance	\$6,824	\$0	\$6,824
96130 Workmen's Compensation	\$6,063	\$0	\$6,063
96140 All Other Insurance	\$2,696	\$0	\$2,696
96100 Total insurance Premiums	\$32,725	\$0	\$32,725
96200 Other General Expenses	\$1,697	\$0	\$1,697
96210 Compensated Absences	\$9,213	\$0	\$9,213
96300 Payments in Lieu of Taxes	\$8,510	\$0	\$8,510
96400 Bad debt - Tenant Rents	\$822	\$0	\$822
96500 Bad debt - Mortgages	\$0	\$0	\$0
96600 Bad debt - Other	\$1,674	\$0	\$1,674
96800 Severance Expense	\$0	\$0	\$0
96000 Total Other General Expenses	\$21,916	\$0	\$21,916
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$290,396	\$0	\$290,396
97000 Excess of Operating Revenue over Operating Expenses	-\$45,114	\$72,813	\$27,699
97100 Extraordinary Maintenance	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0
97400 Depreciation Expense	\$70,649	\$0	\$70,649
97500 Fraud Losses	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense	\$0	\$0	\$0
90000 Total Expenses	\$361,045	\$0	\$361,045

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$72,813	\$0	\$72,813
10020 Operating transfer Out	\$0	-\$72,813	-\$72,813
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$72,813	-\$72,813	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$42,950	\$0	-\$42,950
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$649,776	\$0	\$649,776
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	600		600
11210 Number of Unit Months Leased	581		581
11270 Excess Cash	\$154,146		\$154,146
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$4,284	\$0	\$4,284
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Revenue and Expense Summary							
	Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	2 State/Local	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$94,314	\$0			\$94,314	\$0	\$94,314
70400 Tenant Revenue - Other	\$1,065	\$0			\$1,065	\$0	\$1,065
70500 Total Tenant Revenue	\$95,379	\$0	\$0	\$0	\$95,379	\$0	\$95,379
70600 HUD PHA Operating Grants	\$210,219	\$256,936	\$824		\$467,979	\$0	\$467,979
70610 Capital Grants	\$0	\$0			\$0	\$0	\$0
70710 Management Fee					\$0	\$0	\$0
70720 Asset Management Fee					\$0	\$0	\$0
70730 Book Keeping Fee					\$0	\$0	\$0
70740 Front Line Service Fee					\$0	\$0	\$0
70750 Other Fees					\$0	\$0	\$0
70700 Total Fee Revenue					\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0			\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$643	\$0		\$100	\$743	\$0	\$743
71200 Mortgage Interest Income	\$0	\$0			\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0			\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0			\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0			\$0	\$0	\$0
71500 Other Revenue	\$11,854	\$126			\$11,980	\$0	\$11,980
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0			\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0			\$0	\$0	\$0
70000 Total Revenue	\$318,095	\$257,062	\$824	\$100	\$576,081	\$0	\$576,081
91100 Administrative Salaries	\$65,558	\$5,670	\$824		\$72,052	\$0	\$72,052
91200 Auditing Fees	\$7,708	\$492			\$8,200	\$0	\$8,200
91300 Management Fee	\$0	\$0			\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0			\$0	\$0	\$0
91400 Advertising and Marketing	\$0	\$0			\$0	\$0	\$0
91500 Employee Benefit contributions - Administrative	\$23,647	\$1,974			\$25,621	\$0	\$25,621
91600 Office Expenses	\$16,163	\$1,068			\$17,231	\$0	\$17,231
91700 Legal Expense	\$0	\$0			\$0	\$0	\$0
91800 Travel	\$600	\$38			\$638	\$0	\$638
91810 Allocated Overhead	\$0	\$0			\$0	\$0	\$0
91900 Other	\$8,433	\$1,273			\$9,706	\$0	\$9,706
91000 Total Operating - Administrative	\$122,109	\$10,515	\$824	\$0	\$133,448	\$0	\$133,448
92000 Asset Management Fee	\$0	\$0			\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0			\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0			\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0			\$0	\$0	\$0
92400 Tenant Services - Other	\$756	\$0			\$756	\$0	\$756
92500 Total Tenant Services	\$756	\$0	\$0	\$0	\$756	\$0	\$756
93100 Water	\$667	\$0			\$667	\$0	\$667
93200 Electricity	\$4,790	\$0			\$4,790	\$0	\$4,790
93300 Gas	\$2,937	\$0			\$2,937	\$0	\$2,937
93400 Fuel	\$0	\$0			\$0	\$0	\$0
93500 Labor	\$0	\$0			\$0	\$0	\$0
93600 Sewer	\$824	\$0			\$824	\$0	\$824

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Revenue and Expense Summary							
	Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	2 State/Local	Subtotal	ELIM	Total
93700 Employee Benefit Contributions - Utilities	\$0	\$0			\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0			\$0	\$0	\$0
93000 Total Utilities	\$9,218	\$0	\$0	\$0	\$9,218	\$0	\$9,218
94100 Ordinary Maintenance and Operations - Labor	\$27,417	\$0			\$27,417	\$0	\$27,417
94200 Ordinary Maintenance and Operations - Materials and Other	\$27,712	\$0			\$27,712	\$0	\$27,712
94300 Ordinary Maintenance and Operations Contracts	\$39,591	\$28			\$39,619	\$0	\$39,619
94500 Employee Benefit Contributions - Ordinary Maintenance	\$8,952	\$0			\$8,952	\$0	\$8,952
94000 Total Maintenance	\$103,672	\$28	\$0	\$0	\$103,700	\$0	\$103,700
95100 Protective Services - Labor	\$0	\$0			\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0			\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0			\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0			\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$17,142	\$0			\$17,142	\$0	\$17,142
96120 Liability Insurance	\$6,824	\$408			\$7,232	\$0	\$7,232
96130 Workmen's Compensation	\$6,063	\$415			\$6,478	\$0	\$6,478
96140 All Other Insurance	\$2,696	\$172			\$2,868	\$0	\$2,868
96100 Total Insurance Premiums	\$32,725	\$995	\$0	\$0	\$33,720	\$0	\$33,720
96200 Other General Expenses	\$1,697	\$76			\$1,773	\$0	\$1,773
96210 Compensated Absences	\$9,213	\$638			\$9,851	\$0	\$9,851
96300 Payments in Lieu of Taxes	\$8,510	\$0			\$8,510	\$0	\$8,510
96400 Bad debt - Tenant Rents	\$822	\$0			\$822	\$0	\$822
96500 Bad debt - Mortgages	\$0	\$0			\$0	\$0	\$0
96600 Bad debt - Other	\$1,674	\$0			\$1,674	\$0	\$1,674
96800 Severance Expense	\$0	\$0			\$0	\$0	\$0
96000 Total Other General Expenses	\$21,916	\$714	\$0	\$0	\$22,630	\$0	\$22,630
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0			\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0			\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0			\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$290,396	\$12,252	\$824	\$0	\$303,472	\$0	\$303,472
97000 Excess of Operating Revenue over Operating Expenses	\$27,699	\$244,810	\$0	\$100	\$272,609	\$0	\$272,609
97100 Extraordinary Maintenance	\$0	\$0			\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0			\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$225,906			\$225,906	\$0	\$225,906
97350 HAP Portability-In	\$0	\$0			\$0	\$0	\$0
97400 Depreciation Expense	\$70,649	\$839			\$71,488	\$0	\$71,488
97500 Fraud Losses	\$0	\$0			\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense	\$0	\$0			\$0	\$0	\$0
90000 Total Expenses	\$361,045	\$238,997	\$824	\$0	\$600,866	\$0	\$600,866

HOUSING AUTHORITY OF HENRYETTA, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2022

Entity Wide Revenue and Expense Summary							
	Project Total	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	2 State/Local	Subtotal	ELIM	Total
10010 Operating Transfer In	\$72,813	\$0			\$72,813	-\$72,813	\$0
10020 Operating transfer Out	-\$72,813	\$0			-\$72,813	\$72,813	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0			\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0			\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds							
10060 Proceeds from Property Sales							
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0			\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0			\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0				\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0				\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0			\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0			\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$42,950	\$18,065	\$0	\$100	-\$24,785	\$0	-\$24,785
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$649,776	\$71,859	\$0	\$78,005	\$799,640	\$0	\$799,640
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0			\$0	\$0	\$0
11050 Changes in Compensated Absence Balance							
11060 Changes in Contingent Liability Balance							
11070 Changes in Unrecognized Pension Transition Liability							
11080 Changes in Special Term/Severance Benefits Liability							
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents							
11100 Changes in Allowance for Doubtful Accounts - Other							
11170 Administrative Fee Equity		\$88,080			\$88,080		\$88,080
11180 Housing Assistance Payments Equity		\$1,844			\$1,844		\$1,844
11190 Unit Months Available	600	641			1241	0	1241
11210 Number of Unit Months Leased	581	528			1109	0	1109
11270 Excess Cash	\$154,146				\$154,146		\$154,146
11610 Land Purchases	\$0				\$0		\$0
11620 Building Purchases	\$0				\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0				\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$4,284				\$4,284		\$4,284
11650 Leasehold Improvements Purchases	\$0				\$0		\$0
11660 Infrastructure Purchases	\$0				\$0		\$0
13510 CFFP Debt Service Payments	\$0				\$0		\$0
13901 Replacement Housing Factor Funds	\$0				\$0		\$0